



HOPLAND FIRE PROTECTION DISTRICT

FIRE IMPACT FEE NEXUS STUDY

APRIL 2019
FINAL REPORT V1.1

PREPARED FOR:

BOARD OF DIRECTORS

HOPLAND FIRE PROTECTION DISTRICT

PREPARED BY:

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HOPLAND FIRE PROTECTION DISTRICT

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ACKNOWLEDGMENTS

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Mendocino County Auditor's Office
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EXECUTIVE SUMMARY

INTRODUCTION

This Fire Impact Fee Nexus Study ("Nexus Study") was prepared pursuant to the Mitigation Fee Act ("Act") as found in Government Code § 66000 et seq. The purpose of this Nexus Study is to establish the legal and policy basis for the collection of a new fire impact fee ("fee") on new development within the Hopland Fire Protection District ("District").

The District provides first-responder fire protection and emergency response services to the unincorporated community of Hopland in the Sanel Valley in southern Mendocino County ("County"). Specifically, the District's services include fire prevention and suppression; wildland fire protection; rescue and extrication; search and rescue including swift water rescue; and hazardous materials response.

The purpose of the fee is to fund the one-time cost of expanding the District's facilities, apparatus, and equipment in order to maintain its existing level of service. For purposes of this Nexus Study, the term "facilities" or "fire system facilities" will refer to facilities (land, stations and other buildings), apparatus (engines, ambulances, and other vehicles), and equipment (ancillary and station). The term "new development" will generally refer the persons (residents and employees working in the District's service area) and the structural area (residential area and nonresidential building area) in which the persons live or work.

Currently, the County imposes a fire impact fee on behalf of the District in the amount of \$0.43 per sq. ft. for new construction.

In order to impose such fees, this Nexus Study demonstrates that a reasonable relationship between new development, the amount of the fee, and fire facilities, apparatus and equipment funded by the fee. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Mitigation Fee Act ("Act"), also known as AB 1600, which are as follows:

1. Identify the **purpose** of the fee.
2. Identify the **use** to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").

4. Determine how there is a reasonable relationship between the need for the fire facilities and the type of development project on which the fee is imposed ("**impact relationship**").
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with the general plan.

To determine the District's fire impact fee consistent with these **substantive requirements**, this Nexus Study utilizes a system-wide existing facility standard methodology. Under this widely-used method, the District's ratio of existing fire protection facilities, apparatus and equipment to existing development establishes the standard for determining new development's fair share of the cost to expand the District's fire system as growth occurs. Existing development is determined based on the assumption that 50 percent of the need and demand for fire service (and associated facilities, apparatus, and equipment) is related to the persons (residents or employees), and the other 50 percent of the need is related to the structural area (i.e., living area or nonresidential building area) in which they live or work. The value of the District's existing fire system is determined using the replacement value of the District's existing inventory of fire protection facilities, apparatus, and equipment. These costs are then applied to seven land use categories in proportion to the need they create for fire protection and emergency response services to establish a cost/fee per square foot.

The Nexus Study also identifies the fair share cost of planned fire and emergency response services facilities needed to serve existing development at the same facilities standard applied to new development. The identification and use of a facilities standard ensure that new development will only fund the share of planned facilities needed to accommodate growth. Thus, consistent with the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the fee, and facilities, apparatus and equipment funded by the fee.

The Nexus Study also details the **procedural requirements** for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the County Board of Supervisors on behalf of the District. Also, the Act contains specific requirements for the **annual administration** of the fee program. These statutory requirements and other important information regarding the imposition and collection of the fee are provided in the last sections of the Nexus Study.

SUMMARY OF KEY FINDINGS

The following key findings from the Nexus Study are presented:

1. Currently, the County imposes a fire impact fee on behalf of the District in the amount of \$0.43 per sq. ft. of new construction.
2. The District may approve, and the County may adopt on their behalf, the following fee at or below the levels determined by this Nexus Study.

FIGURE 1 – MAXIMUM FIRE IMPACT FEE SCHEDULE

Land Use Category	Maximum Fire Impact Fee
Residential Development	Per Living Sq. Ft.
Single-Family Housing	\$1.91
Multi-Family Housing	\$2.28
Nonresidential Development	Per Building Sq. Ft.
Retail / Commercial	\$1.92
Office	\$2.57
Industrial	\$2.01
Agriculture	\$1.17
Warehouse / Distribution	\$1.27

Notes:

¹ The fire impact fee is rounded to the nearest whole cent.

3. A fire impact fee is necessary to ensure that the District can adequately expand its fire protection facilities, apparatus, and equipment to accommodate the population and employment growth and new structural area created by new development.

4. Fee revenue may be used to fund 100% of the cost of new and expanded facilities, 100% of the cost of apparatus, vehicles, and equipment that expand the District's existing inventory, and up to 22.0 percent the replacement cost of apparatus, vehicle and equipment purchases.
5. Consistent with nexus requirements of the Act, this Nexus Study demonstrates that there is a reasonable relationship between new development, the amount of the proposed fee, and facilities, apparatus, and equipment funded by the fee.

SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in the Nexus Study, the following general recommendations are presented:

1. Since only cities and counties have land use authority to impose development impact fees as a condition of project approval, the District's proposed fee must be adopted by the County on behalf of the District.
2. The District's approved fee should be adopted and implemented in accordance with the applicable provisions of the Act.
3. The District should comply with the annual reporting requirements under Government Code § 66006(b).
4. Following the fifth fiscal year after the first deposit of fee revenue and every five years thereafter, the District should comply with the reporting requirements under Government Code § 66001(d).
5. The cost estimates presented in this Nexus Study are in 2019 dollars. The resolution establishing the new fire impact fee should include a provision for annual inflationary adjustments based on 12-month percentage change in an appropriate engineering cost index as published by the Engineering News-Record.

DETERMINATION OF EXISTING DEVELOPMENT

The District serves both residences and businesses throughout their service area. As such, the demand for the District's services and associated facilities, apparatus, and equipment is measured by its service population and the structural area it protects. This section will first determine the service population and structural area within the District's service area. This data will be used to establish an existing facilities demand factor for the various residential, and nonresidential land uses within the District, which in turn will be used to determine existing development's total facilities demand.

EXISTING SERVICE POPULATION AND STRUCTURAL AREA

The District provides first-responder fire protection and emergency response services to the unincorporated community of Hopland in the Sanel Valley in southern Mendocino County. Specifically, the District's services include fire prevention and suppression; wildland fire protection; rescue and extrication; search and rescue including swift water rescue; and hazardous materials response.

The District currently serves an estimated resident population of 2,042. The District's resident population estimate is based on figures from the 2010 U.S. Census for the District's service area and Mendocino County Assessor's data as of July 2018 and assumes a 15.5 percent vacancy rate. The District also protects approximately 979 occupied and vacant housing units and approximately 270,000 million square feet of nonresidential building area. Estimated total housing units and nonresidential building area are based on figures the Mendocino County Assessor as of July 2018.

FIRE FACILITIES DEMAND FACTOR

To determine the relative demand for fire facilities for various land uses, this Nexus Study relies on equivalent dwelling unit ("EDU") factors to compare fire facilities demand across various residential and nonresidential land uses. For purposes of this Nexus Study, it is assumed that 50 percent of the demand for fire protection and emergency response services is related to the persons (residents or employees), and the other 50 percent of the need is to protect the structural area (living area or nonresidential building area) in which the persons live or work.

The equivalent dwelling unit ("EDU") is also used to convert the nonresidential building area to a residential dwelling unit value. This approach allows for the cost of facilities, apparatus, vehicles, and equipment to be fairly apportioned among residential and nonresidential land uses.

Figure 2 on the following page shows the calculation of the fire facilities demand factor for seven land use categories. The residential land use categories are expressed per dwelling unit, and the nonresidential land use categories are expressed per square foot of building area. By this measure, for example, one single-family home creates the demand for the District's facilities, apparatus, and equipment equal to 590 square feet of retail/commercial building area.

FIGURE 2 – FIRE FACILITIES DEMAND FACTOR

Land Use Category	Unit	Persons per Unit ¹	Persons EDU	Persons Demand Factor	Structural Area per Unit	Structural Area EDU	Structural Area Demand Factor	Fire Facilities EDU Demand Factor
Calc		a	b = a / 2.54	c = b * 50%	d	e = d / 1,650	f = e * 50%	g = c + f
Single-Family Housing	DU	2.54	1.00	0.50	1,700	1.00	0.50	1.00
Multi-Family Housing	DU	1.85	0.73	0.36	900	0.53	0.26	0.63
Residential	DU	2.43	0.96	0.48	1,618	0.95	0.48	0.95
Retail / Commercial	KBSF	1.49	0.59	0.29	1,000	0.59	0.29	0.59
Office	KBSF	2.50	0.98	0.49	1,000	0.59	0.29	0.79
Industrial	KBSF	1.67	0.66	0.33	1,000	0.59	0.29	0.62
Agriculture	KBSF	0.33	0.13	0.06	1,000	0.59	0.29	0.36
Warehouse / Distribution	KBSF	0.50	0.20	0.10	1,000	0.59	0.29	0.39
Nonresidential	KBSF	1.81	0.71	0.36	1,000	0.59	0.29	0.65

Notes:

¹ Residents per unit is based on census data from the 2010 U.S. Census. All nonresidential density figures (except Agriculture) based on the 2001 "Employment Density Study" prepared by The Natelson Company, Inc. for the Southern California Association of Governments expressed in terms of the number of employees per 1,000 square feet of building area. The density figure for Agriculture is from the 2004 "Employment Density in the Puget Sound Region" report prepared by E.K. Pflum for the University of Washington.

EXISTING FIRE FACILITIES DEMAND EDUS

Figure 3 below calculates the District's existing demand EDUs based on the total number of dwelling units and estimated nonresidential building area within the District. As shown, total existing demand EDUs for the District is 1,118. Existing demand EDUs represents the level of existing development served by the District's existing facilities.

FIGURE 3 – EXISTING DEMAND EDUS

Land Use Categories	Unit	Units ¹	Fire Facilities EDU Demand Factor ²	Existing Demand EDUs
	Calc	a	b	c = a * b
Single Family Housing	DU	879	1.00	879
Multi-Family Housing	DU	100	0.63	63
Nonresidential	KBSF	270	0.65	176
Total		1,249		1,118

Source: Mendocino County Assessor's Office; SCI Consulting Group

Notes:

¹ Housing unit count is from Mendocino County Assessor's data as of July 2018.
Nonresidential is estimated assuming a jobs-to-housing ratio of 0.5 and 552 sq. ft. of building area per employee.

DETERMINATION OF EXISTING FIRE SYSTEM FACILITIES

EXISTING FIRE SYSTEM FACILITIES

The next step in determining the District's existing facilities standard is to calculate the replacement value of the District's fire protection and emergency response facilities system. Figure 4 below presents a summary of replacement value (in 2019 dollars) for the District's existing facilities (land and stations), apparatus (engines, ambulances, and other vehicles) and equipment (ancillary and station).

Fire station and station equipment replacement values are based insured values provide by Special District Risk Management Authority. The estimated land value is based on market research conducted by SCI Consulting Group assessed land value for sales within 2018. The estimated replacement value of the District's apparatus, vehicles, and equipment inventory is based on unit cost assumptions provided by the District. Estimated values of older apparatus have been discounted from the replacement value of the new apparatus to reflect their age. (The detailed inventory and estimated replacement value for each is provided in Appendix A.)

As shown below, the estimated value of the District's existing facilities, apparatus, and equipment is \$3.5 million in 2019 dollars.

FIGURE 4 – REPLACEMENT VALUE OF EXISTING FIRE SYSTEM FACILITIES

Fee Components	Total Replacement Value (2019\$)
Land	\$48,250
Stations / Other Buildings	\$2,246,000
Apparatus / Vehicles	\$916,300
Ancillary Equipment	\$245,500
Station Equipment	\$80,000
Total Existing Fire System Facilities	\$3,536,050

Source: Hopland Fire Protection District ; SCI Consulting Group

EXISTING FIRE FACILITIES STANDARD

The District's ratio of existing facilities, apparatus, and equipment to the existing demand establishes the standard for determining new development's fair share of the cost to replace and expand the District's facilities as growth occurs. As shown below, the standard is represented by the existing fire system facilities cost of \$3,162.84 per demand EDU.

FIGURE 5 – FIRE FACILITIES COST PER DEMAND EDU

Existing Fire System Facilities ¹	\$3,536,050
Existing Demand EDUs ²	1,118
Existing Fire Facility Cost Per EDU	\$3,162.84

Notes:

¹ See Figure 4.

² See Figure 3.

DETERMINATION OF THE FIRE IMPACT FEE

The Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the amount of the fee and the cost of facilities, apparatus, and equipment attributable to the development on which the fee is imposed. In this section, the District's facilities standard determined and then applied to seven land uses categories in proportion to the demand they create as measured by their fire facilities EDU demand factor.

RESIDENTIAL FIRE IMPACT FEE

Since residential land uses have varying dwelling unit occupancies and sizes, the residential fire impact fee is expressed on a per square footage basis for the following two residential land use categories. The two residential land use categories are defined below.

- **"Single-family housing"** means detached and attached one-family dwelling units with an assessor's parcel number for each unit and mobile homes; and
- **"Multi-family housing"** means buildings or structures designed for two or more families for living or sleeping purposes and having kitchen and bath facilities for each family.

The fire impact fee shall be charged on the square footage within the perimeter of a residential structure. Garages, carports, walkways, overhangs, patios, enclosed patios, detached storage structures, or similar areas are excluded.

Figure 6 on the following page presents the calculation of the District's proposed residential fire impact fees. The District may approve, and the County may adopt on their behalf, the following fees at or below the levels determined by this Nexus Study. As shown, the residential fees are determined by multiplying the facilities standard by their respective facilities demand EDU factor plus an additional 3 percent for annual administration of the fire impact fee program. The fee program administrative cost component is designed to offset the cost of County collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates, and other costs reasonably related to compliance with the Act.

FIGURE 6 – MAXIMUM RESIDENTIAL FIRE IMPACT FEES

Residential Land Use Category	Facility Standard ¹	Facilities Demand EDU Factor ²	Cost per Unit	Admin. Expense 3% ³	Average Living Area per Sq. Ft. ⁴	Proposed Residential Fees ⁵
Calc	a	b	c = a * b	d = c * 0.03	e	f = (c + d) / e
			<i>- per dwelling unit -</i>			<i>- per sq. ft. -</i>
Single-Family Housing	\$3,162.84	1.00	\$3,162.84	\$94.89	1,700	\$1.91
Multi-Family Housing	\$3,162.84	0.63	\$1,992.59	\$59.78	900	\$2.28

Notes:

¹ See Figure 5.² See Figure 2.³ County collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.⁴ Based on Mendocino County Assessor's Lien Roll Data as of July 1, 2018.⁵ Proposed residential fire impact fees are rounded down to the nearest cent.

NONRESIDENTIAL FIRE IMPACT FEES

As stated earlier, the Mitigation Fee Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the fee and the type of development on which the fee is imposed. Since different nonresidential land uses have varying employment densities, the nonresidential fire impact fee is expressed per square foot of building area based on their respective facilities demand EDU factor for five nonresidential land use categories. The five nonresidential land use categories are as follows:

- **"Retail / Commercial"** means retail, commercial, educational and hotel/motel construction;
- **"Office"** means general, professional and medical office construction;
- **"Industrial"** means manufacturing construction;
- **"Agriculture"** means a structure designed and constructed to house farm implements, hay, grain, poultry, livestock or other horticultural products, including storage coolers. This structure shall not be a place of human habitation or a place of employment where agricultural products are processed, treated or packaged; nor shall it be a place used by the public; and
- **"Warehouse / Distribution"** means buildings devoted to the storage and / or distribution of non-agricultural products. A distribution center for a set of products

is a warehouse or other specialized building, which is stocked with products or goods to be redistributed to retailers, to wholesalers, or directly to consumers.

The nonresidential fee shall be charged for "covered and enclosed space" within the perimeter of a nonresidential structure. Any storage areas incidental to the principal use of the development, garage, parking structure, unenclosed walkway, or utility or disposal area are excluded.

Figure 7 below presents the calculation of the nonresidential fire impact fees. The District may approve, and the County may adopt on their behalf, the following fees at or below the levels determined by this Nexus Study. As shown, the fees for the five nonresidential land uses are determined by multiplying the facilities standard by their respective facilities demand factor plus an additional 3 percent for administration of the fire impact fee program.

FIGURE 7 – MAXIMUM NONRESIDENTIAL FIRE IMPACT FEES

Nonresidential Land Use Category	Facility Standard ¹	Facilities Demand EDU Factor ²	Cost per Unit	Admin. Expense 3% ³	Total Cost per Unit	Proposed Nonres. Fire Impact Fee ⁴
Calc	a	b	c = a * b	d = c * 0.03	e = c + d	f = e / 1,000
			<i>- per 1,000 sq. ft. of building area -</i>			<i>- per sq. ft. -</i>
Retail / Commercial	\$3,162.84	0.59	\$1,866	\$55.98	\$1,922.06	\$1.92
Office	\$3,162.84	0.79	\$2,499	\$74.96	\$2,573.60	\$2.57
Industrial	\$3,162.84	0.62	\$1,961	\$58.83	\$2,019.79	\$2.01
Agriculture	\$3,162.84	0.36	\$1,139	\$34.16	\$1,172.78	\$1.17
Warehouse / Distribution	\$3,162.84	0.39	\$1,234	\$37.01	\$1,270.51	\$1.27

Notes:

¹ See Figure 5.

² See Figure 2.

³ County collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates and other costs reasonably related to compliance with the Act.

⁴ Proposed nonresidential fire impact fees are rounded down to the nearest cent.

PROJECTED FIRE IMPACT FEE REVENUE

Figure 8 projects fee revenue from all vested units within the District's service area. Total fire impact fee revenue (in 2019 dollars) is then estimated by multiplying the facilities standard by demand EDU growth.

FIGURE 8 – PROJECTED FIRE IMPACT FEE REVENUE

Land Use Category	Current Demand EDUs	Estimated Demand EDU	Total Cost per Demand EDU ³	Projected Fire Impact Fee Revenue
	(2019) ¹	Growth (2039) ²		(2019\$)
Calc	a	b	c	d = b * c
Residential	942	207	\$3,162.84	\$656,000
Nonresidential	176	39	\$3,162.84	\$123,000
Total	1,118	246	\$3,162.84	\$779,000

Source: Hopland Fire Protection District ; SCI Consulting Group

Notes:

¹ See Figure 3.

² Estimated Demand EDUs based on a historical and projected growth rate of 1% , or approximately 10 homes per year.

³ See Figure 5.

USE OF FIRE IMPACT FEE REVENUE

It is important to note at the fire impact fee program is designed not to be dependent on a specific capital improvement plan and specific level of new development. Only enough fee revenue will be generated for the District to expand its existing level of service to serve the growing community.

Fee revenue may be used to fund up to 100% of the cost of the new land for fire stations, construction of new fire station, expansion of existing fire stations, and the purchase of apparatus, vehicle and equipment purchases added to the District existing inventory. Since the District will need to replace apparatus, vehicles, and equipment more quickly due to the increase service calls from the growth in the persons and structure area created by new development, the District may use fee proceeds to fund up to 22.0 percent of the replacement cost of existing apparatus, vehicle and equipment. Fee revenue may not be used to fund 1) the renovation of existing facilities, and 2) operational, maintenance or repair costs.

The District will need existing deficiencies with other funding sources. Other potential sources of funds include, but are not limited to, a general obligation bond measure, state and federal grants, the District's general fund, and existing or new special tax and assessment proceeds, if allowable.

NEXUS FINDINGS

This section frames the Nexus Study findings in terms of the legislated requirements to demonstrate the legal justification of the fire impact fees. The justification of the fire impact fees on new development must provide information as set forth in Government Code § 66000. These requirements are discussed below.

PURPOSE OF FEE

The purpose of the fire impact fee is to fund the cost of fire protection and emergency response facilities, apparatus, and equipment attributable to new residential and nonresidential development in the District. The fire impact fees will ensure that new development will not burden existing development with the cost of facilities required to accommodate growth as it occurs within the District.

USE OF FEE REVENUE

Fee revenue will be used to fund the cost of new and expanded facilities, apparatus and equipment to serve new development. Provided below is a summary of the allowable and prohibited uses of fee revenue.

FIGURE 9 – SUMMARY OF ALLOWABLE AND PROHIBITED USES OF FEE REVENUE

<u><i>Allowable Uses</i></u>	<u><i>Prohibited Uses</i></u>
<ul style="list-style-type: none"> • <i>New (added) or expanded land and facilities costs (100%)</i> • <i>Apparatus, vehicles and equipment purchases that expand the system inventory (100%)</i> • <i>Facility costs already incurred to provide growth-related capacity (100%)</i> • <i>Portion of apparatus, vehicles, and equipment replacement costs attributable to new development (22%)</i> • <i>Portion of a renovation project that expands service capacity</i> 	<ul style="list-style-type: none"> • <i>Existing deficiencies, such as improvements to existing facilities that do not expand service capacity</i> • <i>Portion of apparatus, vehicles, and equipment replacement costs attributable to existing development (78%)</i> • <i>Operational, maintenance or repair costs</i>

BENEFIT RELATIONSHIP

The fee will be collected as development occurs. In order to maintain its existing level of fire protection and emergency response services, fee revenue will be used to replace and expand the District's facilities, apparatus, and equipment to meet the additional demand generated by the new residents and employees and new structural area created by new development projects.

Fee revenue will be deposited into a separate fire impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds of the District. The fee revenue will be restricted to uses described in the "Use of Fee Revenue" finding. These actions ensure development project paying the fees will benefit from their use.

IMPACT RELATIONSHIP

New residential and nonresidential development projects in the District will grow the persons (residents and employees) and the structural area (residential area and nonresidential building area) in persons live or work. The growth in persons and structural area will create additional need for the District's fire protection and prevention, emergency response service and a corresponding need for new or expanded facilities, and replacement of apparatus, vehicles, and equipment. The fee will be imposed on different types of development projects for the additional service population generated and structural area created by new development projects.

PROPORTIONALITY RELATIONSHIP

The cost of fire protection facilities, apparatus, and equipment attributable to a development project is based upon the level of existing development served by the District's existing fire protection and emergency response facilities. The use of a facilities standard methodology to determine the fire impact fee achieves proportionality between existing development and new development. Moreover, these equivalent costs are applied to seven land use categories in proportion to the need they create for improved and expanded facilities.

Larger development projects will generate a higher number of persons and structural area to protect and, as a result, will pay a higher fee than smaller development projects. Thus, the application of the fire impact fee schedule to a specific project ensures a reasonable relationship between the fee and the cost of the facilities, apparatus, and equipment attributable to that project.

FEE PROGRAM ADOPTION REQUIREMENTS

The following are the general requirements for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the County Board of Supervisors on behalf of the District. The specific statutory requirements for the adoption of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.) and County Ordinance Code Chapter 5.36. SCI recommends that the notice and hearing requirements be satisfied by the District for approval and the by County for adoption.

HOPLAND FIRE PROTECTION DISTRICT

1. The District Board of Directors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the proposed fee program.
2. At least 14 days before the meeting, the District shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the District shall make available to the public the Nexus Study for review.
4. At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, adopt a resolution approving the Nexus Study and proposed fee program with a recommendation that the County Board of Supervisors adopt the proposed fee program on behalf of the District.

MENDOCINO COUNTY

1. The County Board of Supervisors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.
2. At least 14 days before the meeting, the County shall mail out a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 10 days before the meeting, the County shall make available to the public the Nexus Study for review.

4. At least 10 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, adopt an ordinance establishing the proposed fee program on behalf of the District.
6. The fire impact fees take effect 60 days after adoption of the County ordinance.

FEE PROGRAM ADMINISTRATION REQUIREMENTS

This section contains general requirements for the administration of the fee program. The specific statutory requirements for the administration of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

ACCOUNTING REQUIREMENTS

Proceeds from the fire impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue. The fire impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

REPORTING REQUIREMENTS

The following information, entitled *Annual Report*, must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The District shall review the information made available to the public pursuant to paragraph (1) at the next regularly scheduled public meeting, not less than 15 days after this information is made available to the public, as required by this subdivision. Notice of the time and place of the meeting, including the address where this information may be

reviewed, shall be mailed, at least 15 days prior to the meeting, to any interested party who files a written request with the District or the County for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

For the fifth fiscal year following the first receipt of any fire impact fee proceeds, and every five years thereafter, the District must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the District still needs unexpended fire impact fees to achieve the purpose for which it was originally imposed and that the District has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the District shall make all of the following findings, entitled Five-Year Report, with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

A refund of all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in Section 66001 (e) of the Government Code, shall be provided to the current record owner of any property for which a fee was paid; provided that if the administrative costs of refunding such fee revenue exceed the amount to be refunded.

ANNUAL INFLATIONARY ADJUSTMENT

In order for the District to maintain its level of service, the fee will need to be automatically adjusted annually commensurate with changes in the cost of facilities, apparatus, and equipment. Therefore, the fire impact fee should be adjusted on July 1 of each fiscal year by the percentage change in an appropriate engineering cost index as published by the Engineering News-Record, or its successor publication for the preceding twelve months.

IMPROVEMENTS IN-LIEU OF FEES

Subject to certain restrictions, if a developer dedicates land, constructs facilities and / or provide apparatus/equipment for the District, the fire impact fees imposed on that development project may be adjusted to reflect a credit for the cost of the dedicated land, facilities constructed and / or apparatus/equipment provided.

FEE CREDITS

In order to comply with the Act and recent court cases, a fee credit must be given for demolished existing square footage as part of a new development project.

APPENDICES

Appendix A – Fire System Inventory and Replacement Cost Estimates

Appendix B – Comparison of Current and Proposed Fire Impact Fees

APPENDIX A – FIRE SYSTEM INVENTORY AND REPLACEMENT COST ESTIMATES

FIGURE 10 – EXISTING LAND AND BUILDING INVENTORY

Fire Station	Amount	Unit Cost ¹	Replacement Cost (2019\$)
Calc	a	b	c = a * b
Central Station 611 (21 Feliz Creek Road, Hopland)			
Land	0.93 acres	\$25,000 per acre	\$23,250
Buildings	8,600 sq. ft.	\$250 sq. ft.	\$2,150,000
North Station 612 (151 Henry Station, Ukiah)			
Land	1.00 acres	\$25,000 per acre	\$25,000
Buildings	1,200 sq. ft.	\$80 sq. ft.	\$96,000
South Station 613 (20250 South Hwy. 101, Hopland)			
Land	1.00 acres	\$0 per acre	\$0
Buildings	1,200 sq. ft.	\$0 sq. ft.	\$0
Total Existing Facilities (Land and Buildings)			\$2,294,250

Source: Hopland Fire Protection District; SCI Consulting Group

FIGURE 11 – EXISTING APPARATUS AND EQUIPMENT INVENTORY

Unit ID	Make / Model	Type	Year Built	Apparatus / Vehicles ¹	Ancillary Equipment
6160	International	Type 3 Engine	2001	\$87,500	\$50,000
6161	International	Type 3 Engine	2012	\$262,500	\$50,000
6170	Peterbilt	Type 3 Engine	2003	\$175,000	\$50,000
6180	International	Type 2 Engine	1989	\$100,000	\$30,000
6190	Chevy	Water Tender	1990	\$87,500	\$30,000
6135	Ford	Rescue	2006	\$120,000	\$10,000
6140	Dodge Ram	Utility Vehicle	1997	\$11,800	\$6,000
6141	Ford Expedition	Utility Vehicle	2006	\$17,500	\$6,000
6100	Dodge Ram	Utility Vehicle	2016	\$47,000	\$6,000
61	Zodiac	Boat	1990	\$2,500	\$7,000
6151	Light Tower	Light Tower	2007	\$5,000	\$500
Total Apparatus and Equipment				\$916,300	\$245,500

Source: Hopland Fire Protection District

Notes:

¹ Value based on estimated current replacement value. Adjustments have been made to discount apparatus and vehicles based on age (0 - 5 years at 100% , 6-10 years at 75% ; 11 - 15 years at 50% and 16 years and older at 25% .)

APPENDIX B – COMPARISON OF CURRENT AND MAXIMUM ALLOWABLE FIRE IMPACT FEE

FIGURE 12 – COMPARISON OF CURRENT AND MAXIMUM ALLOWABLE FIRE IMPACT FEE

Land Use Categories	Current	Maximum	% Change
Residential Development			
	Per Sq. Ft. of Living Area		
Single-Family Housing	\$0.43	\$1.91	344%
Multi-Family Housing	\$0.43	\$2.28	430%
Nonresidential Development			
	Per Sq. Ft. of Building Area		
Retail / Commercial	\$0.43	\$1.92	347%
Office	\$0.43	\$2.57	498%
Industrial	\$0.43	\$2.01	367%
Agriculture	\$0.43	\$1.17	172%
Warehouse / Distribution	\$0.43	\$1.27	195%
Example - Fee for Average Dwelling Unit			
Residential Development			
	Per Average Dwelling Unit		
Single-Family Housing	\$731	\$3,247	344%
Multi-Family Housing	\$387	\$2,052	430%

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